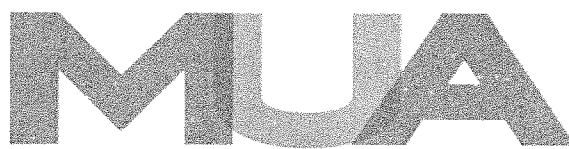


The
Management
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UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

BMT 302 : ECONOMIC DEVELOPMENT

DATE: 18TH APRIL 2017

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

In 2002 the Kibaki Government came into power after 24 years of Moi governance. In just a few years into power Kenya's economy started to grow, with our GDP operating between 6% -7% growth. The Kibaki administration put forth the agenda of building infrastructure, embracing ICT, education etc. Fast forward to 2013 and the Uhuru-Ruto administration is also working on a similar manifesto, and are looking at energy, transportation, industrialization, education as ways to achieve economic growth. President Uhuru has on occasion been accused of making too many business trips and neglecting his local duties to the country. Under the current Uhuru-Ruto administration we have seen business investors from Nigeria, Turkey, China and all over the world come into the country either on their own or in the form of State visits by different countries.

On the other hand the current administration has also had its challenges with high cost of living, terrorism or insecurity, inflation, depreciating local currency, unemployment, corruption etc.

This being said we are still facing relative economic growth and projections by the Bretton woods institutions seem promising.

Required:

- a. Distinguish between Economic Growth and Economic Development. (2 Marks)
- b. What two kinds of unemployment can we find in a country? (4 Marks)
- c. "No country is an island" in line with this statement and with relevant examples outline why economic integration is important to the development of Kenya. (5 Marks)
- d. State and explain any two types of inflation that a country may experience. (4 Marks)
- e. With globalization taking root and the state liberalizing its economy, Multinational Corporations are setting up business in our country. Analyze

the negative impact of MNC's to the development of African states.

(6 Marks)

- f. Suggest instances where government should use protectionism when it comes to international trade.

(4 Marks)

QUESTION TWO

Critically analyze Rostows' five stages of development.

(15 Marks)

QUESTION THREE

- a. Explain how HIV/AIDS has impacted negatively the development of African states.
- (10 Marks)
- b. Demonstrate why it is important as a Nation /Country to have a steady population growth in the economy.
- (5 Marks)

QUESTION FOUR

- a. Suggest possible policies that the Kenyan Government can implement in order to improve our Agricultural sector.
- (10 Marks)
- b. Briefly explain the Lewis Dualistic Theory in relation to Economic Development.
- (5 Marks)

QUESTION FIVE

- a. Highlight and shed some light on the obstacles to Industrial Development that a developing country like Kenya is facing.
- (12 Marks)
- b. With an appropriate example define the term Underdevelopment.
- (3 Marks)

QUESTION SIX

- a. Clearly elaborate any FIVE factors or drivers of development that developing countries should fast-track to achieve development.
- (10 Marks)
- b. As an Economics consultant clearly outline on why government on should cease from borrowing locally and instead borrow internationally.
- (5 Marks)

